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Control No. 2022
27 May 1954

MEMORANDUM FOR: IWG Members
Mr. Spencer M. Beresford, FOA/MDAC
25X1A2g Mr. Douglas Coster, State/EDS

SUBJECT : Clearance for [] date of information,
March 1954

1. Enclosed herewith is a copy of the subject communication. Permission has been granted to disseminate it further, as follows:

To FOA/MDAC/Washington and USRO/Paris FOR INFORMATION ONLY, classified SECRET/US OFFICIALS ONLY; to State posts at Zurich, London, Santiago, The Hague FOR ACTION, classified as SECRET. Clearance was also granted for Hamburg, Copenhagen and Istanbul, FOR ACTION, classified as SECRET in line with the clearance granted for [] which relates in part to the same subject matter (see IWG Memorandum Control No. 2021 of 21 May 1954).

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2. In addition to the name information given in the footnotes of the subject communication, the following may be of interest:

- a. Adolph (Alfred) POST is also reported to own the firm Gebruder ENGELS of Zurich. The Zurich telephone directory lists "E. and R. Engels", Weinbergstrasse 41.
- b. TRACO, Jenatschstrasse 1, Zurich - the Zurich telephone directory lists Dr. Adolph E. ALTHERR as director and Paul TSCHOPP as manager.

(This office has a sizeable file on TRACONT, Zurich (on Commerce Special Check List) but it throws no additional light on the negotiations reported in the subject communication.)

- c. SALE AND COMPANY, London has been reported involved in a number of negotiations leading to the diversion of copper (see IWG Memorandum 447077 and 447234, and Santiago D-107, 9 October 1953). See also Montevideo D-86, 5 August 1953 which reported Sale & Company's interest in the shipment of Chilean copper to Denmark, currently known as the "Hennsler Case",

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- d. The SLAVENBURG BANK's assets were blocked by the U.S. Treasury in March 1952 for financing shipments of strategic materials to Communist China. There have been a number of subsequent reports as to the Bank's activities in East-West trade, although Rotterdam has also reported that the firm has "in the past cooperated in the transshipment investigations and on occasion has volunteered information on strategic shipments." (Rotterdam D-180, 13 November 1953)

25X1A2g [] Rotterdam D-228, 12 January 1954 reported an inquiry directed to the Chilean Consul General in Rotterdam by SOLLING AND CO. regarding the purchase of 8000 tons of copper at \$877 a long ton, f.o.b. Chilean port. Solling is reported in the despatch to be controlled by SLAVENBURG AND HUYSER, a forwarding firm probably closely connected with Slavenburg's Bank. Treasury reported in CA-5680, 8 April 1954 that SOLLING is controlled by the Bank itself. All three firms are on the Commerce Special Check List.

- e. Eugene MATEOVIC (Matejovich) has interests in several firms, all but one (Contimex, U.K.) of which are listed on the Department of Commerce Special Check List.

1. CONTINENTAL IMPORT AND EXPORT CO. N.V., Stadhouderskade 51, Amsterdam (address given in Amsterdam D-21, 21 July 1953). The firm's address is also given as Kloveniersburgwal 21, apparently of an earlier date.

In 1951 the firm participated in the transshipment of sulfadiazine of U.S. origin to Hong Kong, presumably for China. Matejovich, as manager, made false statements as to the destination of the goods when he filled out American export license applications. The consignee for one of the two consignments was Nederlandsche Handelmaatschappij, the banker for Continental (see Amsterdam D-67, 28 August 1953).

In mid-1953, Continental acted as intermediary in the forwarding of 500 mobile street compressors from Vienna via West Germany and the Netherlands to Moscow (see USFA Special Biweekly Report #207, 23 October 1953).

Bern T/421, 22 October 1953 reported that EXIMPO, Zurich a well-known East-West trading firm on the Commerce Special Check List had completed preparations for the shipment from England, 1 November, of petroleum distillate equipment to East Germany via BRASCH AND ROTHENSTEIN

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and CONTINENTAL IMPORT-EXPORT of Amsterdam. The two firms claimed no knowledge of the shipment (Amsterdam T/21, 4 November 1953). Continental was also instrumental in diverting 348 tons of forging press material to the Bloc in 1951. Amsterdam's OM of 14 May 1952 (enclosure to Amsterdam D-260 of 5 February 1953) reported that Continental had ordered, received and paid for the material from WINDGASSEN, Dusseldorf and resold it to GRANOIL S.A. of Montevideo, Uruguay. Continental claimed the responsibility for diversion to be GRANOIL's. However, Bern D-1266 of 1 July 1953 quotes from a letter written by Continental Import to Eximpo on 29 May 1951, with regard to the necessity of securing a legal contract from Granoil in order to satisfy the Germans as to the destination of "machines". This same despatch cites WINDGASSEN as the German middleman for EXIMPO.

For further information on the part played by CONTINENTAL in the EXIMPO trading complex, see Bern D-1266, 1 July 1953, wherein Matejovich (Metjovich) is reported as the Dutch contact for Eximpo. A number of instances of diversion in which Continental participated in 1951 and 1952 are cited.

2. EURO-UNION N.V. of which Matejovich is also the manager is reported to be a subsidiary or affiliate of Continental. Antwerp D-312, 26 February 1952 describes the role of the firm in the transshipment of a press for V-2 rocket parts from Saarbrücken via Amsterdam and Antwerp to Rostock.

Euro-Union is cited with Continental as the Dutch contact for Eximpo (See Bern D-1266, 1 July 1953). There is no recent information on the firm.

3. TRAVERSE N.V., Stadhouderskade 51, Amsterdam is also listed as a subsidiary of Continental (Amsterdam D-371, 20 May 1953), and reported at Kloveniersburgwal 21 in 1951.
4. NOORD HOLLANDSCHE HANDELS-ASSOCIATIE N.V., Beethovenstraat 112, Amsterdam (listed on Commerce Special Check List as at Amstelvein de Ruyschlaan 225).

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This firm is listed as an affiliate of Continental on the latter's WTDR.

Hicog Berlin D-644, 3 March 1954 reports on dealings of both firms with Erich SUCHY, an East-West trader located in West Berlin. Noord Hollandsche had sold two lots of borax to Suchy (on Commerce Special Check List) who obtained export licenses in October 1953 to export it to East Germany. This borax was reportedly of West German origin, but Suchy was placed notice that diversion of U.S. origin borax to East Germany was illegal. He confirmed that he had been negotiating with a Dutch firm for borax for East Germany but had dropped the case when he discovered the material was of U.S. origin. The Dutch firm is not further identified in the despatch.

In October 1952 the Noord Hollandsche informed Frl. E. HAHN of West Berlin that freon could not be procured without an officially confirmed end-use statement. Further, the writer stated that he wished to be sure DIA's inquiry is serious since obtaining the certificate is a costly and time consuming matter (Bonn D-1507, 19 November 1953).

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5. CONTINEX (CONTIMEX) MERCHANTS, LTD., 320 High Holborn London was listed as an affiliate of Continental in the WTDR for the latter firm. This address is the same as that for Moloney and Co. Ltd., and International Commercial Metals (Materials) Corp., who have been reported a number of times as being involved in attempted copper diversions (see Munich D-324, 25 March 1954, Radio Free Europe items #08665/53, Munich D-175, 4 November 1953, Munich D-192, 18 November 1953; also [redacted] and Polto A-577, 10 March 1954).

- g. This office has no information on "Miss Keller", nor has it, as yet, been able to identify "Lurosan" (see comment on the latter in IWG Memorandum Control No. 2021).

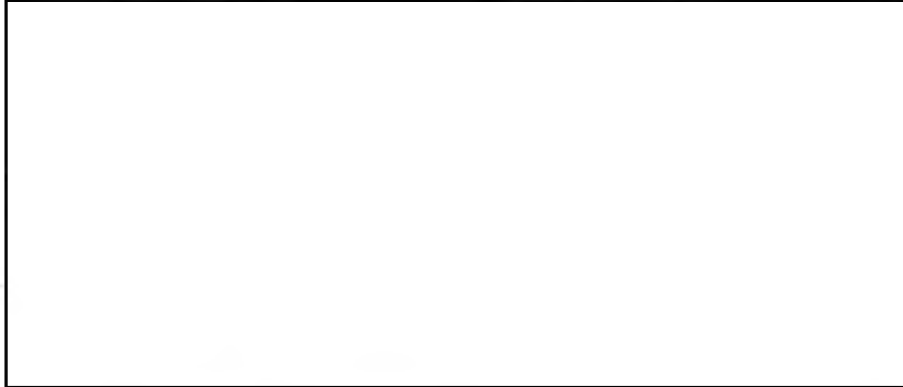
3. Suggestions for the collection of further intelligence, in part as a follow-up to Deptel/Hamburg 240:

- a. Request pertinent posts for identification and further information on the activities of the following individuals and firms both in connection with the transactions mentioned and in general:

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4. It is requested that this Agency be advised of use of the foregoing information by the addressees of this memorandum.

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Executive Secretary
Intelligence Working Group

Enclosure - 1

As listed above.

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